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AUTHOR Schroeder, Karsten
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ABSTRACT

In the Federal Republic of Germany, as elsewhere, the recent unemployment crisis has forced politicians, economists, trade unionists, and experts to consider a number of courses of action designed to reduce working time. Included among these alternatives are the following: adopting the 35-hour work week, shortening working life through early retirement, creating more part-time positions, and lengthening annual holidays. Of all the proposals discussed for a long-term solution of the unemployment problem in the Federal Republic of Germany, the adoption of the 35-hour work week would have the most impact. Because of the country's tight financial position, however, this practice probably will not become a reality. Despite the fact that the debate over the relative feasibility of shortening weekly hours will probably become sharper in the next few months, it appears that the practices of job-sharing and part-time work will become increasingly more widespread as more and more house agreements regulating these are drawn up. While the effect of these practices on unemployment are still relatively weak, they could gain in importance over a period of time. (MN)

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Chief Editor: Rolf Gerlach
Editor: Dr. Horst Kollmann

Inter Nationes, Kennedyallee 91-103
D-5300 Bonn 2
Bundesrepublik Deutschland
Telefon (02 28) 88 01, Telex 8 85 481

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Special Report

Making work go round

Plans for combatting unemployment

by

Karsten Schroeder

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Introduction.

In the Federal Republic of Germany as elsewhere the years of high rates of economic growth belong to the past. An unemployment crisis that has persisted for years with a large number of people out of work is becoming a permanent problem. There is no shortage of proposals and projects for reducing unemployment. Politicians, economists, trade unionists and experts have given a lot of thought to re-structuring working hours. The phrase "shortening working hours" is going to remain part of the political vocabulary where redistribution of the available volume of work is concerned. There is unanimity of opinion that it will be a long time before full employment can be achieved through an increase in economic growth. That is why the theory that unemployment can be checked and ultimately reduced by shortening working hours is gaining many advocates - and opponents also. As always the difficulties are embedded in the details.

All the schemes and proposals that have so far been discussed for reducing working time - 35-hour week, shortening of the working life, part-time work and lengthening annual holidays - must all be critically examined to see if they could achieve their main aim or whether it is not more likely that they would produce the opposite effect. The debates about this are already in full swing. For some the problem has become a question of their economic and social beliefs while others see it merely as an arithmetical problem. The main controversy is who should bear the costs of one or other of the various proposals for shortening working time. At a time when firms' profits are lower, real income is sinking and the state's coffers are being depleted, it is not an easy problem to solve. At the moment it is a confusing situation. Active intervention by the state cannot be reckoned with for the time being. The trade unions are still in disagreement over many points. Yet, despite general disapproval on the part of industry, shorter working hours have already been introduced in some firms with varying degrees of success. H

I. Outlook on labour market

With about 2.2 million unemployed (August 1983) the Federal Republic of Germany is in the middle of its most serious employment crisis. This crisis, which has lasted since the middle of the seventies, has - it is generally agreed - several causes. The main causes are the development of oil prices since 1973, America's high interest policy, the national as well as international state of the economy, the mounting indebtedness of the state and structural problems in industry.

The economic solutions that are proposed vary depending on the different emphasis given in evaluating the causes for the unemployment problem.

A patent remedy is an illusion. The views put forward in academic circles, politics and industry embrace such a broad spectrum that a quick solution in the sense of regaining full employment cannot be expected. There is relative unanimity in one respect at any rate - that a higher level of employment can only be regained if business receives a powerful boost. The Federal institute for labour-market and vocational research in Nuremberg came to the conclusion on the basis of its calculations that even with an economic growth of 2 to 2.5 per cent unemployment would persist until the end of the eighties. Only if growth reached four per cent could the rise in unemployment be stopped and even perhaps slowly reversed. But over the question of how this rate of growth could be achieved and what the right growth policy should be opinions are divided. The economists are split into two camps. Those who regard the unfavourable conditions for production and investment as the decisive brake on growth, advocate a supply-oriented economic policy which eventually must result in a drop in the level of real wages. This approach is opposed by those who call for a demand-oriented policy of growth because the crisis, in their view, is principally attributable to a lack of demand throughout the economy. They are therefore urging a policy aimed specifically at reviving demand; in addition the state should open up new areas of growth in which many new jobs can be created.

Large-scale investment in the fields of energy, transport and communications appear particularly promising it is said. These indeed do offer the best prospects.

The main problem with a demand-oriented growth policy would be further expansion of the national debt and more inflation. Experts do not contest the fact that programmes of state financing lead to very little growth or full employment in the long term. They warn those making political demands for state employment programmes that these are only straw fires that burn out quickly.

Irrespective of the continuing controversy between the advocates of demand and supply policies, the economic realisation is growing in the public mind that only more investment can enable new jobs to be created that will bring additional income, which, in its turn will stimulate demand thus making additional investment necessary. The right conditions for this are a favourable level of interest rates and the prospect of good profits or turnover for the investing firm. In order to get the necessary investment process going in private industry, those responsible for economic policy in the Federal government, Laender (states) and local councils as well as the partners on the two sides of industry and the Federal bank must work closer together.

Whether the furthering of economic growth coupled with supporting measures on the labour market would suffice to give jobs to all those who are out of work is doubted by the trade unions. The economy must regain not only the jobs that have been lost but, over and above that, offer opportunities to those who are entering working life after finishing school or training. In this context the demographic developments in the Federal Republic of Germany emerge as one of the most important factors next to productivity and working hours. At the present time those generations that were thinned out by the second world war are approaching pension age. At the same time the age-groups 1958 to 1966 when there were high birth rates, are entering into their working life. This means that the older workers

are not leaving behind enough workplaces for the numerous young workers moving in to take their place. The gap between the numbers of jobs that will be needed and those being made available through retirement could reach about a million by 1990.

Commenting on this aspect of the labour market in the next ten years, Professor Dieter Mertens, Director of the Institute for labour market and vocational research in Nuremberg, said that demographic conditions in the Federal Republic of Germany will aggravate labour market problems for the foreseeable future so badly that there was nothing to hope for even from a growth of 2 to 2.5 per cent.

The forecasts of most economic research institute are similar. For some years now strategies for shortening working hours are gaining more weight in the debate. In the meantime arguments have come into the foreground for relieving the tension on the labour market by a general reduction of the work performed all round. This is being discussed under the motto "solidarity." Work that is available should be distributed more justly throughout the whole working population. In other words the burden of unemployment should be borne by all. This was the conclusion arrived at in 1976 by the independent "Commission for economic and social change." It said in its report: "The determinants of the length of a person's earning activity - age of starting work, pension age, length of weekly working hours, length of holiday - are all open to modification if full employment cannot be guaranteed in any other way."

Since then further economic forecasts - especially those dealing with the employment situation - indicate that the reduction of working hours must be given fuller consideration as a supporting measure for the solution of the unemployment problem. Plans and model schemes for measures to shorten working time are now being discussed.

The President of the Federal Office of Labour in Nuremberg Josef Stingl, regards the sharing out of the available

amount of work through shorter working hours as unavoidable. He says: "We will not be able to avoid a more balanced distribution of the available work in the form of shorter working hours. In the long run it is unacceptable that over two million people - and the number can still rise by next winter - are fixed for an undetermined period at nil working hours per week while the rest continue as before to work full time giving them an earned income and personal fulfilment."

In view of the continuing debate in the Federal Republic of Germany over the question of shortening working hours Josef Stingl called for courage and compromise and said all partners should be ready to make some sacrifice and move away from their rigid positions. Federal Labour Minister Norbert Blum (CDU) has repeatedly made his standpoint plain and emphasised that there is no way round the shortening of working hours as a means of reducing the high unemployment. It was of course an illusion to suppose that one could shorten working hours and at the same time raise wages still further. Norbert Blum said: "One will not be able to dance at two weddings. I am against cuts in wages but there will have to be a reckoning." The financing of the shortening of working hours means enormous difficulties for all concerned: A regulation of working hours that will open up more jobs yet have no effect on costs is an impossibility. The employers are not alone in pointing this out.

The Federal Ministry of Economics had its expert consultative council examine the question whether shortening working hours reduces unemployment. In its report the council says that all imaginable forms of shortening working time are too dear. Neither false developments in real wages nor further distortions in the relationship between interest level and wage costs could be corrected by this means. The shortening of working time would not have a favourable influence on the future expectations of firms about general economic developments. An increase in costs of production could be expected and the consequence of this would be further measures of rationalisation.

It is clear that the costs question has gradually come to dominate the whole discussion. Even from the workers' side it is not contested that the attainment of their demand for shorter working hours will trigger off cost increases. The industrial trade union Metall admits: "Shortening working hours is naturally not going to be done for nothing" and in this question the union follows a hard line showing less readiness to compromise than the German trade union Federation (DGB). "The wage compensation will be a matter for negotiations," DGB chairman Ernst Breit stated. The rigid front between the two sides of industry has started to shift.

The Director of the Nuremberg Institute for labour market and vocational research warned against premature optimism. Professor Dieter Mertens said in principle all are in agreement but everyone has his own model plan. Now they have to concern themselves with details. The model plans under discussion in the Federal Republic of Germany are based on two principles which are brought in relationship to one another in different combinations. However whether one speaks of a reduction in weekly working hours or of going on pension earlier, in the end it all amounts to cutting down the amount of work.

II. The scheme for shortening the working week

The basis of this scheme, put crudely, is the following calculation: in the Federal Republic of Germany about 20 million people are working 40 hours a week. A reduction by one hour would mean that the aggregate number of hours worked nationally would come down from 800 million to 780 million. This gap would be filled by employing 500,000 people who are at present out of work. By knocking two hours off the working week and bringing it down to 38 one million extra jobs would be created. Using this calculation it can be shown that a reduction to a 35-hour working week would enable all the unemployed registered in the Federal Republic to find jobs. Playing with numbers like this has aroused strong objections particularly from major research institutes. First of all they say the direct effect of working hours on the labour market - termed the

reducing effect - is always less; secondly, one cannot simply assume that the employees affected will accept the necessary drop in income calculated in the model plan. Employees so far have been strengthened in the demand of their trades unions that existing general wage levels must not be allowed to fall proportionally but in principle must be preserved.

The Nuremberg Institute for labour market and vocational research has found out through polls that only every eighth worker would be prepared to work less and earn less. The International Institute for Management and Administration in Berlin (West) has calculated what costs the state would have to bear if the trade union concept of a 35-hour week were introduced and what effects it would have on the other hand, on the net income of employees. The figures are sobering. First of all it must be remembered that the calculated effects on taxes and social contributions, which on the whole will sink considerably as a consequence of lower wages, depends to a large extent on the way in which employees react to the different schemes presented.

If firms as a result of shorter working hours, only hired 50 per cent more people to fill the gap, there would be a shortfall of 12 billion DM in the social insurance and about 7.5 billion in government revenue. If the firms continued with the same number of employees and took on no new ones the deficit would be still bigger - 26 billion in the social insurance 20 billion in government revenue. Contributions would in any case be lower in line with the smaller incomes.

Shorter working hours with any wage compensation is not regarded as the right solution by the German Institute for Economic Research (DIW) in Berlin (West) either.

The proposal of the employers to maintain the agreed hourly wage rate does not impress the Berlin experts. This variant appears particularly favourable from the point of view of employment, price and costs, but it calls for a big sacrifice in the name of solidarity on the part of those who have jobs. Their earnings shrink, considerably less will be consumed, economic growth will be damped down.

In the opinion of the President of the Employers Federation Metall, Dr. Wolfram Thiele, the introduction of a 35-hour week would be financially insupportable for industry. "If the 35-hour week is adopted with full wage compensation hourly wage costs will be 18 per cent dearer than they are now. Wage compensation alone will increase personnel costs by 14.3 per cent. The other part of the increase in costs results from the higher capital costs resulting from a reduction in the use of the firm's plant."

Jens Petersen of the Federal Association of German Industry (BDI) also expressed scepticism in a forum of the Academy for political education in Tutzing. He described the hope of more jobs as a result of shorter working hours as nonsense. The Institute of German Industry (IW) in Cologne pointed out the consequences of introducing the 35-hour week for firms in a brochure "The shortening of working hours." The authors say it has been shown that production falls and costs rise by about 2.5 per cent for every hour cut from the working week. To keep up output and avoid higher piece costs the overwhelming majority of firms would rationalise. The brochure comes to the conclusion: "Unemployment cannot be reduced by this means."

A reduction of working hours which would have no effect on costs would mean a wage cut of about 15 per cent, according to the calculations of the Cologne institute. It is obvious that the trade unions would oppose that. With a 35-hour week the agreed hourly wage rates would have to be raised by 14.3 per cent. To put this through at one fell swoop is regarded by the trade unions likewise as impossible. They are therefore apparently ready to accept that that part of the increase which is over and above the productivity bonus and the inflation counterweight, should be taken into account in future rounds of wage negotiations.

The demand that wages should be fully made up is justified with economic theses: a reduction of working hours should not restrict the demand for goods and services in order to prevent a further loss of purchasing power. Advocates of shorter working hours have yet another powerful argument ready - every unemployed person "costs" 24,000 DM a year in loss of taxes and financial support.

With 2.3 million registered unemployed, for example, that amounts to 55 billion DM a year. The aggregate economic loss which comes about because these unemployed are not engaged in production, is estimated by Professor Mertens at 125 billion DM.

Such figures do not appear to impress the trade unions. They stand unshaken by their demand for the introduction of the 35-hour week. The industrial trade union Metall will appeal to employees and the general public with further arguments in the months to come. This biggest single trade union (2.6 million members) in the German trades union federation views the 35-hour week as the most important demand in the next few years.

"The shortening of working hours is the most decisive contribution of employees to damming up unemployment," declared the managing member of the executive Hans Janssen. The 35-hour week was no steamroller, he said, but it was the strongest locomotive to set in motion a campaign against unemployment and better working conditions.

The industrial trade union Press and Paper also intends to push through the 35-hour week by the end of 1986 at the latest. Trade unionist Erwin Ferlemann advocates a reduction of the weekly working hours in two stages each time by 2½ hours. The first stage must be brought in by 1984 and the second by 1986. And he does not exclude the possibility of a labour conflict in order to achieve this end.

The positions for the next round of wage negotiations in 1984 therefore have already been staked out and trade union action is possible. Meanwhile the chemical workers trade union have already achieved one success on the way to the introduction of shorter weekly hours written into the tariff on wages and conditions of work.

In the chemical industry the march towards the 35-hour

week begins on September 1, 1983 with the introduction of a 38-hour week for all 58-year old employees and on January 1, 1987 with the introduction of the 36-hour week with full wage compensation. "The shortening of working hours from above downwards so that workers on grounds of age will not have to work such long hours is a method that can be financed," said Horst Mettke, member of the chief executive of the chemical trade union. He contradicted his colleagues in other trade unions and defended the step his trade union has taken. "In view of the slight growth that can be expected in 1983 a general reduction of working hours in conjunction with the necessary additional wage and salary increases is hardly realistic. The wage-tariff agreement for the chemical industry for 1983 represents a reasonable compromise between the general wage and salary increases and a start on further reduction of working hours."

In practice many firms in the Federal Republic of Germany have already found various solutions for reducing the weekly hours worked. The Federal association of employers in Cologne pointed out that this can always be done in the form of individual works agreements.

Many breweries in Bavaria are offering their workers a 35-hour week when they are 55 years old and even a 30-hour week at 60.

One firm in Gelsenkirchen has already introduced the 36-hour week with full wage compensation.

On the basis of monthly agreements giving the individual workers the choice of what hours they work, one department store in Munich has already introduced shorter working hours in 1978. This flexible arrangement enables every employee to say each month how many hours each of them wishes to work. The minimum is 60 hours and the maximum 173. In between these two limits they can choose in steps of 10 hours. If they work more hours or fewer than they have agreed beforehand they can either make it up later or take the extra hours as holiday. Before the new flexible working hours were introduced two-thirds of the staff worked full-time and only one-third of the 600 employees elected to work part-time. Today the proportions are exactle reversed. Shorter working hours means less income.

But this shortfall is largely counterbalanced by the participation in profits on turnover which was introduced simultaneously. Under the new arrangement turnover has increased considerably.

The reduction of full-time working, which 65 per cent of the staff have opted for, has had a happy effect on employment in this firm. About 50 extra people have been hired.

"The realities of the employment situation," said Josef Stingl, of the Nuremberg Federal Office of Labour, "show that both sides, employers and employees possess the necessary flexibility for such solutions. Admittedly one must keep it clearly in mind that measures for shortening working hours are no remedy for everything but should be seen simply as supporting or supplementary strategy." However the IG Metall for instance, is against individual arrangements inside firms for shortening working hours. The trade union regards it as not permissible for individual firms to plan their own working hours schemes independently.

The trade unions are sticking to the overall aim of the organisation that shorter working hours should be introduced for whole branches of industry or regions. All other arrangements made inside firms undermine their concept. Two examples illustrate this. There is the "Siemens model." The personnel department of this concern working closely with the employers consultative council, has worked out a plan whereby older employees would work less during their last few years before retirement. With only a small loss of income the transfer from working life to being a pensioner can be made more flexible. In some cases there are shorter working hours without any financial loss. Overall, without there being any firm commitment, this scheme could lead to new people being hired earlier than they would otherwise which could have a noticeable effect on local labour markets. There is also the "Mannesman model." This firm cannot at the moment offer firm jobs to all the apprentices who pass their final exams in 1983. So after discussion with the consultative council the firm offered the young people to begin with a contract for a year with a 20-hour working week with a corresponding cut in the normal weekly wage.

A year's contract at a wage which is much higher than the last money earned as an apprentice will also carry with it the promise that when a full-time job becomes vacant it will be offered to one of these part-time workers first.

At Siemens and at Mannesman the response from those concerned and from the works consultative council was favourable. But at first it was not clear whether these plans will be put into effect. The IG Metall wants to wait until a unified and formally agreed scheme can be made operative throughout the whole of the metalworking industry. None of these plans offer any guarantee that unemployed persons will be engaged.

The example of a medium-sized electrotechnical firm in Ravensburg is not very encouraging. Together with six other firms in Baden-Wuerttemberg it has experimented with various plans for one year. One of these was a flexible shift arrangement in the production department; flexible working hours with a 32-hour week was another while a four-day week with shorter daily hours was also tried. Of the 250 members of the staff who were offered a 32-hour week with 20 per cent less earnings, only 27 were interested. The working hours that were saved on this poor response were not enough to justify employing more people. However the firm expects that by the end of 1983 about 100 of the 900 employees will go over to a 32-hour week enabling another 20 people to be employed.

The reluctance of workers so far to work shorter hours is attributed by the personnel department to the economic situation which is causing many people to worry about keeping their jobs. They are also concerned about getting a lower pension. "That will cut my rent down," said an older woman worker who has already been working a 32-hour week for six months but would like to go back to full-time.

Indeed reductions in pensions cannot be avoided; in some cases as much as 20 per cent. Twenty-six per cent of the women in this firm were prepared to work less and earn less if only their pensions would not be cut.

The examples show that shortening the weekly working hours creates many problems. There is no experience to work on especially concerning the financial consequences and the employment of unemployed which is the object. The firms and the workers are still looking for other practicable solutions.

One cannot assume in 1983 that working hours that are given up will automatically lead to more jobs for the out-of-work. Most of the estimates that have been made point to a 50 per cent "substitute" rate. But a committee of expert consultants at the Federal Ministry of Economics is less optimistic. In a statement in mid-June, 1983 these experts pointed out that the shortening of working hours leads to "the reorganisation of the working processes and an increase in the intensity of the work done." In small and medium-sized firms, in view of the type of production, which in many cases is highly specialised, shortening the weekly working hours could lead to the danger of lower production. Large concerns have the advantage in this respect.

The Federation of German Employers' Associations (BDA) in Cologne believes that the shortening of the working week will mean the disappearance of jobs through rationalisation. The trade unions also see that cutting down the number of hours worked will force on the pace of rationalisation in many factories. Nonetheless they still maintain that rationalisation is carried out principally with the intention of lowering unit costs of production and not in order to prevent an increase in wage costs. They get support for this argument from a study by the Nuremberg Institute for labour market and vocational research, according to which technical progress proceeds independently of questions of working hours. Internal economic considerations as well as competitive factors are the motives for rationalising jobs out of existence rather than attempts to redistribute the available working time.

III. Shortening the working life

As an alternative to shortening the working week a reduction in the number of years worked is being discussed. The lowering of the pension age, which is under consideration, is based on the assumption that many older employees would be ready to accept a premature pension. Most of them are concerned that they should have the right themselves to determine at what point they quit work. They want to be able to live at ease for the extra years they gain thereby, despite a certain financial loss. Bringing the pensionable age forward is therefore in the older workers' own interest. At the same time it is unavoidable that the decision when to go will be taken by each individual rather than dictated by the situation on the labour market. It cannot be excluded that older workers will often be forced to take early retirement although their efficiency and health are both good enough to allow them to continue on the job much longer. This psychological pressure is to be feared mainly if the problem of making way for more trainees is played up or young workers are threatened with dismissal. Shortening the working life is widely regarded as a strategy for dispensing with unwanted people and is not viewed primarily as a means of taking pressure off the labour market. It therefore comes close to being unsocial discrimination.

The special problems and social aspects of lowering the age limit are not ignored. The effects on the employment situation are not contested. All parties represented in the Federal parliament as well as the Catering workers union (NGG) have tabled proposals for a further lowering of the flexible retirement age. To date (in the case of workers and salaried employees) the normal pension age is 65; it can in certain circumstances be 63 (or 60 for women). The proposal that goes furthest comes from NGG. Their plan foresees employees ceasing work at the age of 58 with 75 per cent of their final net earnings as a pension. Two-thirds of the financing of these pensions would come

from the Federal Office of Labour while the two partners to wage agreements would provide the remaining third. Sickness and pension insurance contributions will continue to be paid on the basis of the former earnings. The advocates of the scheme reckon with a high participation - in the case of the over-60s with two-thirds and in the case of the 58-60 age group with one half. This would depend on whether the claim to take early retirement is hedged around with other conditions such as certain length of service with the firm. The jobs that become vacant in this way would have to be filled with new entrants, in other words it would have to be a straight exchange.

The relieving effect on unemployment of this measure can be worked out as follows: In 1983 about 280,000 male employees would have been affected by lowering the flexible age limit for retirement to 60 and 640,000 likewise affected by lowering it to 58. If the pension age were made 58 generally it would take in 230,000 women workers aged 58 and 59 so that altogether 870,000 workers would be covered by such a regulation. The question of how many of these vacant jobs would be filled again can only be answered when the actual costs of such a measure are known. According to an investigation by the Institute for labour market and vocational research, about 60 per cent of the amount of work that becomes available through the lowering of the age limit would be effectively absorbed by engaging new people, avoiding dismissals and reductions in short-time working. The chairman of the Catering workers union, Guenter Doeding, whose name the proposal bears, calculates that his scheme would produce employment for 500,000. "We can only use this form of pre-pension retirement properly if the government passes a suitable law," he declared. Federal Labour Minister Norbert Blum (CDU) made it clear that for him the shortening of the working life is "priority number one." If he has to pay out money anyway, the Minister said on TV, he would rather pay a pension to a 60-year old than unemployment money to a 20-year old.

"Perhaps the youngster would give up one per cent of a possible wage increase to benefit an older colleague who has vacated his job for him," said Blum. Labour Office President Josef Stingl also favours the shorter working life alternative, which in his opinion is the one with the least effect on costs and the biggest effect on employment. But "this scheme cannot be realised either without loss of income and some problems in the personnel sphere on the employees' side nor can it be realised without a great deal of organisation and extra costs on the part of the employers and the state." He believes practicable solutions are only possible if the legislators and both sides of industry work together.

Arend Oetker, chairman of the employers association for the food and drink industry, regards the plan for the early pensioning of workers at 58 as illusory not only because of the financial implications. In his opinion this plan does not take account of the conditions on the labour market nor the requirements of the firms. As it will be mainly the older and more qualified workers who will leave it will make the search for young skilled workers even more difficult. Two-thirds of the unemployed are unqualified workers." Oetker also questions the forecast of the Federal Labour Office about the amount of effective relief it will bring. "As older workers who will mostly be drawing higher incomes, will have to leave to make way for younger ones (unemployed and school-leavers), it is not unrealistic to suppose that the Federal Office will have to find more for the older men than they have paid hitherto to the younger ones in unemployment money. For the equation worker equals worker is only true statistically."

Despite these reservations on the part of industry there already exist numerous individual wage-tariff agreements or internal works agreements regarding extending the flexible age limit. In the catering industry there are already agreements on shortening working life contained in 150 wage-tariff agreements and affecting 500,000 older employees. A government draft on the subject of shortening working life is expected this year.

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How many older employers will take advantage of the chance to retire earlier will depend on how the early pension arrangements will be worked out in detail. At the moment about 80 per cent of those eligible to retire at 63 take the opportunity to do so so that if the limit is lowered still further favourable effects on the labour market can be expected.

IV. Part-time employment

Another concept to enliven the general discussion from a different direction: individual flexibility in working hours and shortening of working hours. This offers an ideal solution for those who would like their work to fit in with the other requirements and interests in their lives. Advocates of part-time occupations have two aims in mind. reducing unemployment and giving more individual freedom. Slogans such as "time-sovereignty" "tailor-made working hours" "Right to vote when you work" are going around. In many circles proposals for part-time working are more welcome than other plans. Working hours adjusted to suit the individual have been practised for a long time in the Federal Republic of Germany. All the variants on this practice are in operation including job-sharing. Individual working hours are now recommended by employers, the Federal government, the Federal Office of Labour and reputable research institutes as a partial solution for a general reduction of working hours.

The idea of individual working hours is not so popular with the trade unions. Gunther Rose, member of the chief executive of the chemical workers union, for instance, describes the introduction of job-sharing as "an attempt at a massive shortening of working hours without any wage compensation for a certain social group, namely women in the lower wage and salary groups of factories and administration." Bernhard Teriet of the Federal Office of Labour retorted: "Job sharing is an answer to the fiction that eight hours a day, five days a week, 40 years long is 'a requirement of nature' and that fulltime work is therefore the only proper way of earning a livelihood." He regards job-sharing as a great opportunity for many who would like to work less or have a change.

"The new form of division of labour," said Teriet, "can also contribute to making the work-process inside the firm more flexible though the advantages and disadvantages of this system of working must be weighed up by all concerned." A glance at the statistics of the Federal Office of Labour shows that even in the recessive phase since the beginning of the eighties part-time work has remained important. Whereas in 1960 there were only 500,000 part-time jobs in the Federal Republic of Germany the number had risen to over three million by 1982. Part-time work is done by practically no-one but women. About one-third of all women workers are in part-time occupations. Their average weekly working time is about 24 hours. The general interest in part-time work is increasing. The proportion of short-term jobs (up to three months) arranged by the employment offices in 1972 was 47 per cent of all jobs; in 1981 it was 53.3 per cent.

The part-time labour market is of particular interest to housewives, schoolchildren from the age of 18 upwards and students but also workers who want to bridge over a period of waiting. The big demand for part-time occupations, particularly from women and mothers reflects the desire to have enough time for home and family besides the job and to minimise the double burden of having a job and a family which normal daily working hours would impose on them. The present opportunities for part-time work are mainly in unqualified or badly paid activity in the lower echelons of the firms. In many cases they are activities which have been occasioned by division of work or by temporary engagements (e.g. holiday relief). Part-time work in qualified, well-paid positions is still an exception.

In 1980 the employers organisation in the chemical industry presented a German job-sharing plan. Since then part-time working in various forms has been taken up in many firms and especially in the public service.

The Economics Minister of Lower Saxony, Frau Birgit Breuel (CDU) had 300 salaried jobs in her Ministry declared as suitable for job-sharing and offered her staff a model agreement. This initiative aroused great public interest. Banks, insurance companies and other private service undertakings as well as metalworking firms are experimenting now with job-sharing schemes.

V. Resume

Summing up, it can be shown that of all the proposals discussed for a long-term solution of the problem on the labour market in the Federal Republic of Germany, the most expensive would be the 35-hour week and because of the tight financial position it has little chance at the moment of becoming reality. All forecasts based on the calculations that have been made cannot alter the fact, even if one takes the most favourable case - one million unemployed find jobs in firms where shorter hours have been introduced - that the decisive impulse for the upswing that is so badly needed will come from the mood of industry and its leading men.

The argument between the two sides of industry about the alternatives - shorter weekly hours or lowering the pension age will probably become sharper.

In the next few months the detailed proposal of the government is tensely awaited. It will inject new elements in the debate although it can be taken for granted even at this stage that it will not depart from the known views of the Federal Labour Minister Norbert Blum who regards the shortening of the working life as "priority number one."

Independently of the grand debate between the two sides of industry, government and opposition and research institutes job-sharing and part-time work will continue expanding in daily practice. More and more house agreements regulating these are being drawn up. The effect on unemployment is still relatively weak but over a period it could gain in importance.

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VII. Addresses

Federal Ministry for Labour and Social Affairs
Rochusstrasse 1

5300 Bonn 1

Federal Ministry for Economics
Villemomblerstrasse 76

5300 Bonn 1

Institute of German Industry (IW)
Gustav-Heinemann-Ufer 84-88

5000 Cologne 51

German Trade Union Federation

- Federal executive -

Dept. Labour market policy

Hans-Boeckler-strasse 39

4000 Duesseldorf

Institute for Labour market and vocational research
Regensburgerstrasse 104

8500 Nuremberg 30

International Institute for Management and administration
of the Science Centre Berlin
Platz an der Luftbruecke 1-13

1000 Berlin 42

German Institute for Economic Research
Koenigin-Luise-strasse 5

1000 Berlin 33

Federal association of the German employers organisations
Oberlaender Ufer 73

5000 Cologne 51